

14 January 1956

MEMORANDUM FOR: Assistant Director/RI

THROUGH: Chief, Economic Research

THROUGH: Chief, Services Division

FROM: Chief, Trade Branch

SUBJECT: Current Status of Research on Soviet Gold Production

1. The major ORR effort to determine the level of Soviet gold production was made in 1954 and 1955 and resulted in the publication of CIA/SC/RR 121, Soviet Gold Production, Reserves, and Exports through 1954, 17 October 1955. Since that time, new material has merely been scanned to see if it made a significant contribution to the problem. Recent indications, however, that the Secretary of State and Director of Central Intelligence were interested in Soviet gold production led us to survey the post-1955 material in order to judge whether it necessitated a revision of our estimates of Soviet gold production.

2. The attached paper summarizes some of the more significant new material as well as our current thinking on the gold [REDACTED] data. In general, this material not only confirms but greatly strengthens the general magnitude of the earlier estimates. The new data, for example, for the first time, provides production plans in terms of volume, for both Dal'stroy and Glavzoloto. Earlier estimates depended on indirect and complicated methodologies. The new data allow estimates for 1957 which are well within the margin of error on the earlier estimates but are based on different and much more direct methodologies.

3. Until the fall of 1956, [REDACTED] estimate of current Soviet gold production was about three times as large as the ORR estimate. At that time, following the receipt of some [REDACTED] the responsible ORR analyst went [REDACTED] for discussions with interested [REDACTED]. In these discussions [REDACTED] acknowledged that its own estimates of Soviet gold production were too

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high and accepted the GRC methodology used in SC/RR 121 for estimating Soviet gold production as a valid one. It is not known, however, whether [REDACTED] made a new estimate of Soviet gold production.

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[REDACTED]

Enclosure:

As per paragraph 2.

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